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Subject: NorthWestern Energy Story Item for Commissioners, Treasurers & Clerks and Records

STAB Decision on Northwestern Energy's Property Tax Appeal

On September 14, 2007, the Montana State Tax Appeal Board upheld the Montana Department of Revenue's property tax assessment of NorthWestern Energy for 2005. The case was tried in February of 2007.

In upholding the Department of Revenue's assessment, the State Tax Appeal Board affirmed long-standing principles of assessment of utility property in Montana including the Department's:

- * choice to treat property as a unit for assessment purposes when it is functionally a unit for management, operations and financing,
- * methodology for determining the proportion of a multistate property present in Montana, and
- * methodology for determining the amount of intangible property in the unit assessed.

The final Montana value set by the Department of Revenue and affirmed by the State Tax Appeal Board was \$1,139,080,688. NorthWestern Energy has 60 days from the issuance of the decision to appeal to District Court.

The full text of the decision can be found at <http://stab.mt.gov/pdf/NorthWesternEnergy07.pdf>.